

MEMORANDUM

23 Mar 55

TO : Chief, Ops

FROM : []

SUBJECT: Intentions of West German industry in the atomic field

During recontact with DEGUSSA on 21 Mar 55 and discussion with Technical Director Dipl. Ing. Schimmelbusch and his assistant, Dr. Boettcher, for the purpose of resettlement of Wagoes in the atomic field the following situation developed: during the discussion, the visit of two reporters from the German Industrie Zeitung was announced. Schimmelbusch's secretary reported that two newspapermen would like to have an interview in order to obtain information to what degree DEGUSSA is interested in the atomic field, and especially whether DEGUSSA is engaged in development or research regarding graphite. Both Schimmelbusch and Boettcher declined to receive the reporters at that time and let it be known that a formal request from the Industrie Zeitung should be forwarded to the management of DEGUSSA at approximately 5 weeks. Schimmelbusch will receive the reporters after his return from the Argentine, approximately 6-7 April.

I had the definite feeling that I had been an inconvenient witness to business DEGUSSA rather not have spread about but, having been present, Schimmelbusch felt compelled to make explanatory remarks. According to Schimmelbusch, DEGUSSA does want to extend its activities into the atomic field, with the specific aim of smelting uranium and other fissionable materials, but is in a quandary if this would be contrary to public law 22 through the executing agency Military Security Board/Koblenz, despite the more liberal execution of research in the atomic field. For that purpose, Schimmelbusch asked my advice as to a recommended contact with Koblenz. I did not decline the request, but neither did I commit myself in that respect.

Schimmelbusch also informed me that he had discussed the aim of DEGUSSA with the Physikalische Studiengesellschaft/Duesseldorf, in his

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capacity of being the DEGUSSA representative to the Studiengesellschaft. He has been requested by the general management of DEGUSSA to outline the possible activity in the field of smelting fusible materials DEGUSSA might undertake, and also to discuss these problems arising from this activity with the patent department of DEGUSSA for possible legal interpretation. Schimmelbusch regretfully informed me that the patent department, although very efficient, is not in a position to render information which would clarify such an undertaking against the possible interpretation of the MSB.

Schimmelbusch is perfectly aware that West German industry, specifically DEGUS, for a long time to come will not be permitted to extend its activity to smelting thorium and that this activity, according to information he received, is left to the French. Much to his regret, France is in a position not only to deliver smelting machinery and apparatus especially designed for thorium, but also data on methodology to the Indian government.

According to Schimmelbusch, DEGUS delivered smelting machinery and apparatus for fusible materials to the Argentine and is also in negotiation with Brazil for delivery of similar goods. In both instances Schimmelbusch pointed out that delivery of the goods does not include data on methodology.

Towards the end of the discussion, Schimmelbusch pointed out that DEGUSSA, in the atomic field, is vitally interested not only in the production and sale of machinery and apparatus, but that the major point of interest is research and development of methodology.

DEGUSSA has close liaison with Leyboldt & Co./Sologne, who specialize in high-vacuum smelters and pumps. Another part of Leyboldt's activity, although to a smaller extent, is the development and production of Geiger counters.

Schimmelbusch shows a very frank and outspoken attitude despite our short acquaintance (first contact 8 Feb 55). During the meeting, he made pronounced statements about his present feelings and mentioned that he had not failed to state those feelings during previous contacts he had with MSB. Schimmelbusch is about 43 years of age, was born in Vienna, ~~xxxx~~

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and has spent a number of years in South America. His English is fair, and it can be assumed that he has a good knowledge of Spanish and/or Portuguese.

During his absence in the Argentine, he delegated Dr. Beettcher to discuss immediate problems of resettlement. As has been mentioned in memo covering first contact, DGRUSA is interested in good technical personnel - without being key personnel quality - in the atomic field, especially in metallurgy.

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